

Message Text

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FOLLOWING REPEAT PARIS 16280 SENT ACTION SECSTATE INFO BOGOTA
BONN BRASILIA BRIDGETOWN BRUSSELS BUENOS AIRES CARACAS CURACAO
GEORGETOWN KINGSTON LONDON MADRID MARTINIQUE MEXICO NASSAU
OSLO OTTAWA PARAMARIBO PORT AU PRINCE PORT OF SPAIN SAN JOSE
SANTO DOMINGTO TEL AVIV THE HAGUE USUN NEW YORK MAY 23.
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E.O. 11652: N/A
SUBJECT: CARIBBEAN GROUP DONORS MEETING: U.S.
STATEMENT

REF: PARIS 15743

1. THE FOLLOWING STATEMENT WAS DELIVERED BY ABELARDO L.
VALDEZ, ASSISTANT ADMINISTRATOR, U.S. A.I.D., AS SPOKES-
MAN FOR THE U.S. DELEGATION TO THE CARIBBEAN GROUP DONORS
MEETING ON MAY 16. ADDRESSEES MAY DRAW ON TEXT IN DIS-
CUSSIONS WITH HOST GOVERNMENT ON CARIBBEAN GROUP.
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2. "MR. CHAIRMAN: MY COLLEAGUES AND I APPRECIATE THE
OPPORTUNITY TO MEET WITH OTHER POTENTIAL DONORS IN AN
ATMOSPHERE THAT PERMITS US TO BE CANDID IN OUR ANALY-
SES OF THE PROBLEMS FACING THE CARIBBEAN REGION AND OUR
SUGGESTED SOLUTIONS TO THOSE PROBLEMS. WE SEE SUCH A
MEETING OF MINDS AMONG DONORS AS AN ESSENTIAL STEP TOWARD
ASSURING THE SUCCESS OF THE FIRST REGULAR MEETING OF THE
CARIBBEAN GROUP FOR COOPERATION IN ECONOMIC DEVELOPMENT
NEXT MONTH. I WOULD LIKE TO EXPRESS THE THANKS OF MY
DELEGATION TO YOU AND THROUGH YOU TO YOUR COLLEAGUES AT

THE WORLD BANK FOR MAKING THIS MEETING POSSIBLE, AND FOR THE EXTENSIVE STAFF WORK THE BANK HAS DONE IN PREPARATION FOR THE MEETING.

"AS YOU KNOW, MR. CHAIRMAN, THE ADMINISTRATION OF PRESIDENT CARTER EARLY NOTED THE PRESENCE OF A NUMBER OF NEGATIVE TRENDS IN THE CARIBBEAN, WHICH IF LEFT UNCHECKED, SERIOUSLY THREATENED THE FUTURE COURSE OF ECONOMIC DEVELOPMENT IN THE REGION AND EVEN CALLED INTO QUESTION THE ECONOMIC AND SOCIAL STABILITY OF SOME OF THE PRINCIPAL COUNTRIES OF THE CARIBBEAN. THESE TRENDS HAVE EMANATED FROM TWO SOURCES: EVENTS OR DEVELOPMENTS IN THE WORLD ECONOMY BEYOND THE CONTROL OR INFLUENCE OF THE COUNTRIES OF THE CARIBBEAN BUT IMPACTING SEVERELY ON THEIR ECONOMIES; AND IN SOME CASES EVENTS WITHIN THESE COUNTRIES THEMSELVES OR POLICIES CARRIED OUT BY THEIR GOVERNMENTS. EVENTS IN THE WORLD ECONOMY WHICH HAVE IMPACTED SEVERELY ON THE CARIBBEAN HAVE INCLUDED DOUBLE-DIGIT INFLATION AND THE WORLD ECONOMIC RECESSION WHICH FOLLOWED A QUADRUPLING OF OIL PRICES IN 1973. THESE EVENTS PRODUCED LARGE INCREASES IN PRICES OF IMPORTED FOODSTUFFS COMBINED WITH A SEVERE CONSTRICTION OF INTER-

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NATIONAL DEMAND FOR SOME OF THE REGION'S MAJOR EXPORTS OF GOODS AND SERVICES. AS THE WORLD BANK HAS POINTED OUT, INTERNAL EVENTS SERIOUSLY AFFECTING THE ECONOMIC SITUATION OF SOME COUNTRIES IN THE CARIBBEAN INCLUDE

AMBITIOUS PROGRAMS TO RESTRUCTURE MAJOR SOCIAL AND ECONOMIC RELATIONSHIPS, REDISTRIBUTE INCOMES AND ACQUIRE CONTROL OVER FOREIGN ASSETS IN THEIR COUNTRIES. NOTWITHSTANDING THE ABUNDANT LABOR SUPPLY OF THE REGION THE ECONOMIC POLICIES OF MANY COUNTRIES HAVE BEEN SUBSTANTIALLY BIASED TOWARD CAPITAL INTENSIVE RATHER THAN LABOR MAXIMIZING INVESTMENTS. PRICE AND TAX POLICIES HAVE FREQUENTLY ACTED AS DISINCENTIVES TO AGRICULTURE PRODUCTION. THESE CONDITIONS HAVE LED IN TURN TO EXCESSIVE STRAINS ON THE CAPABILITY OF THE PUBLIC SECTORS AND CREATED A CLIMATE THAT GAVE RISE TO PRIVATE CAPITAL FLIGHT. CONSUMPTION ROSE RAPIDLY AND SAVINGS DECLINED. THESE GOVERNMENTS BECAME INCREASINGLY DEPENDENT ON EXTERNAL BORROWING TO THE POINT WHERE EXTERNAL DEBT BURDENS IMPAIRED THEIR CREDIT-WORTHINESS. IN ORDER TO COPE WITH RESULTING BALANCE OF PAYMENTS DIFFICULTIES, SOME GOVERNMENTS HAVE HAD TO SHARPLY REDUCE IMPORTS WITH AN UNFAVORABLE EFFECT ON BOTH THEIR OWN PRODUCTIVITY AND ON THEIR TRADING PARTNERS.

"AS THE WORLD BANK HAS SUMMARIZED IN ITS REPORTS, THE TURBULENT EVENTS IN THE INTERNATIONAL ECONOMY OVER THE PAST SEVERAL YEARS HAVE WEAKENED THE ECONOMIC STRUC-

TURES OF THE CARIBBEAN REGION, AND AT THE SAME TIME CIRCUMSCRIBED THE CAPACITY OF THE COUNTRIES OF THE REGION TO COPE WITH THESE WEAKNESSES. UNDER THESE CIRCUMSTANCES THE ABILITIES OF THE CARIBBEAN COUNTRIES TO ACHIEVE A MINIMUM ACCEPTABLE RATE OF GROWTH AND TO MEET THE MOST PRESSING NEEDS OF THE MASS OF THE POOR HAS BEEN SHARPLY REDUCED.

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"THE CARTER ADMINISTRATION VIEWS THESE PROBLEMS IN ESSENTIALLY HUMAN RATHER THAN MECHANICAL TERMS AND HAS BEEN CONCERNED AT THEIR EFFECTS ON HUMAN BEINGSKFM INSTITUTIONS IN BOTH THE SHORT AND LONG RUN. THE CARIBBEAN TENDS TO BE A RESERVOIR OF DEMOCRATIC GOVERNMENTS AND DEMOCRATIC PRACTICE. FOR THE MOST PART, THE COUNTRIES OF THE CARIBBEAN HAVE ADMIRABLE HUMAN RIGHTS RECORDS THAT COMPARE FAVORABLY WITH THE MOST ADVANCED COUNTRIES IN THE WORLD. THE TRENDS OF THE PAST FEW YEARS, SOME OF THEM COMPLETELY BEYOND THE CONTROL OF THE GOVERNMENTS OF THE REGION, HAVE ERODED THE DEVELOPMENT BASE ACHIEVED IN EARLIER YEARS.

"AS A RESULT OF OUR CONCERN OVER THE POSSIBLE EFFECTS OF THESE NEGATIVE RESULTS, LAST SUMMER WE BEGAN INTENSIVE CONSULTATIONS WITH OTHERDONORS AND WITH THE PRINCIPAL INTERNATIONAL FINANCIAL INSTITUTIONS WORKING IN THE CARIBBEAN REGION. WE WERE GRATIFIED TO LEARN THAT OTHERS SHARED BOTH OUR ANALYSES REGARDING THE TRENDS WE SAW OPERATING IN THE AREA AND OUR CONCERN OVER THE PROBABLY ECONOMIC, SOCIAL, AND POLITICAL RESULTS IF THESE TRENDS WERE ALLOWED TO CONTINUE UNCHECKED. THE DECISION OF THE WORLD BANK TO TAKE THE LEAD IN ESTABLISHING A COOPERATIVE STRUCTURE FOR ECONOMIC DEVELOPMENT IN THE CARIBBEAN GREW OUT OF THIS SHARED CONCERN.

"I WOULD LIKE TO MAKE CLEAR HERE THAT THE CARTER ADMINISTRATION STRONGLY SUPPORTS THE CARIBBEAN GROUP CONCEPT AND IS FULLY COMMITTED TO THE SUCCESS OF THE GROUP. OUR INTEREST IS PERHAPS NATURAL GIVEN THE PROXIMITY OF THE CARIBBEAN TO US. HOWEVER, WE BELIEVE THE CASE FOR INCREASED ASSISTANCE RESTS ON THE MANIFEST PROBLEMS OF THE REGION AND THE LIKELY CONSEQUENCES IF THE WORLD COMMUNITY FAILS TO ADDRESS THEM. AS YOU KNOW, MR. CHAIRMAN, WE CONDUCT ASSISTANCE PROGRAMS AROUND THE WORLD ON THE BASIS OF NEED, NOT ON THE BASIS OF PROXIMITY OR OUR TRADITIONAL INVOLVEMENT IN A GIVEN REGION. WE WOULD HOPE OTHER DONORS WOULD LOOK AT PRO-

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QUENCES IF THE WORLD COMMUNITY FAILS TO ADDRESS THEM. AS YOU KNOW, MR. CHAIRMAN, WE CONDUCT ASSISTANCE PROGRAMS AROUND THE WORLD ON THE BASIS OF NEED, NOT ON THE BASIS OF PROXIMITY OR OUR TRADITIONAL INVOLVEMENT IN A GIVEN REGION. WE WOULD HOPE OTHER DONORS WOULD LOOK AT PRO-

BLEMS OF CAARIBEAN DEVELOPMENT IN THE SAME WAY.

"IN ADDITION TO CONSULTING WITH OTHERS, THE CARTER ADMINISTRATION HAS SHARPLY INCREASED ITS COMMITMENTS OF ASSISTANCE, WHICH HAVE RISEN FROM \$32.3 MILLION IN FY 1975 TO MORE THAN \$96 MILLION IN FY 1978. WE HAVE ASKED THE CONGRESS FOR \$120 MILLION FOR THE CARIBBEAN IN FY-1979. THESE FIGURES INCLUDE BOTH CONCESSIONAL DEVELOPMENT ASSISTANCE AND PL-480 COMMODITY ASSISTANCE. (THEY DO NOT INCLUDE RESOURCES PROVIDED BY OUR THROUGH HOUSING INVESTMENT GUARANTEES, EXPORT-IMPORT BANK CREDITS, ETC.) AT THIS LEVEL OF PLANNED FY 1979 ASSISTANCE, ONE THIRD OF OUR TOTAL ASSISTANCE FOR THE LATIN AMERICA AND CARIBBEAN REGION WOULD BE ALLOCATED TO SUPPORT THE CARIBBEAN COUNTRIES WHICH HAVE A POPULATION OF 15 MILLION PEOPLE.

"TO PLAN AND EXECUTE THIS ASSISTANCE AID MAINTAINS FIELD MISSIONS IN HAITI, JAMAICA, GUYANA, THE DOMINICAN REPUBLIC AND BARBADOS. WE ARE UPGRADING THE SIZE AND CAPACITY OF THESE MISSIONS. OUR PROGRAMS IN THE CARIBBEAN AS ELSEWHERE PLACE EMPHASIS ON ASSURING THAT THE POOR MAJORITY HAVE ACCESS TO THE BASIC HUMAN NEEDS OF FOOD, EDUCATION, HEALTH, EMPLOYMENT AND SHELTER. G"FOR EXAMPLE, IN JAMICA WE ARE IMPLEMENTING A TWO-YEAR \$63 MILLION ASSISTANCE PACKAGE INCLUDING \$15 MILLION IN CAPITAL AND TECHNICAL ASSISTANCE TO INCREASE THE PRODUCTIVITY AND INCOMES OF 6,000 SMALL FARMERS IN TWO WATER-SHED AREAS, A \$15 MILLION HOUSING INVESTMENT GUARANTY PROGRAM TO UPGRADE URBAN TENEMENTS AND RURAL HOMES, \$20 MILLION IN PL-480 FOOD COMMODITIES, AND A \$9.5 MILLION COMMODITY IMPORT LOAN. THE LOCAL CURRENCY GENERATED BY UNCLASSIFIED

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THE LATTER PROGRAMS ARE BEING ALLOCATED TO DEVELOPMENT PROJECTS IN AGRICULTURE, EDUCATION AND HEALTH.

"IN THE DOMINICAN REPUBLIC WE ARE ASSISTING THE GOVERNMENT TO ESTABLISH COMMUNITY BASED HEALTH DELIVERY SYSTEMS THROUGHOUT RURAL AREAS TO PROVIDE BASIC HEALTH CARE TO MOTHERS AND CHILDREN. IN GUYANA WE ARE FINALIZING A PROPOSAL TO JOIN OTHER DONORS IN FINANCING THE CAPITAL AND TECHNICAL ASSISTANCE COSTS OF THE BLACK BUSH POLDER IRRIGATION AND AGRICULTURAL DEVELOPMENT SCHEME.

"WE HAVE RECENTLY SIGNED A LOAN WITH THE CARIBBEAN DEVELOPMENT BANK FOR \$6.5 MILLION FOR REGIONAL AGRIBUSINESS DEVELOPMENT. WE ARE ALSO PROVIDING SUBSTANTIAL TECHNICAL ASSISTANCE TO THE CARIBBEAN AGRICULTURAL DEVELOPMENT AND RESEARCH INSTITUTE, ARE ASSISTING THE UNIVERSITY OF THE WEST INDIES TO EXPAND ITS FACILITIES AT EACH OF ITS THREE CAMPUSES AND ARE WORKING WITH CARICOM IN DESIGNING A PROJECT TO IMPROVE HEALTH MANAGEMENT SERVICES

IN THE LDC'S OF THE EASTERN CARIBBEAN.

"IN HAITI, AID IS ASSISTING THE GOVERNMENT TO INCREASE ITS ROAD MAINTENANCE AND FEEDER ROAD CONSTRUCTION CAPACITY, ARE FINANCING AGRICULTURAL RESEARCH, PRODUCTION AND MARKETING PROGRAMS FOR SMALL FARMERS, AS WELL AS MATERNAL AND CHILD HEALTH AND FAMILY PLANNING PROGRAMS THROUGHOUT RURAL AREAS.

"NOTWITHSTANDING OUR ALREADY SUBSTANTIAL PLANNED INVESTMENT IN US HUMAN AND ECONOMIC RESOURCES FOR THE CARIBBEAN, WE ARE PREPARED TO CONSIDER FURTHER REQUIREMENTS PROVIDED OTHER DONORS ARE PREPARED TO DO LIKEWISE ON A UNCLASSIFIED

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COOPERATIVE BASIS AND PROVIDED THE RECIPIENTS ARE PREPARED TO TAKE THE SELF-HELP MEASURES NECESSARY TO RENDER INCREASED ASSISTANCE FLOWS EFFECTIVE.

"IN ADDITION TO CONSIDERATIONS CONCERNING ASSISTANCE LEVELS AND RECIPIENT SELF-HELP EFFORTS, PARTICULAR ATTENTION IS ALSO NECESSARY TO REGIONAL ARRANGEMENTS AND MECHANISMS. THERE ARE OBVIOUSLY LIMITS ON THE DEGREE OF ECONOMIC COOPERATION AND INTEGRATION THAT IS POSSIBLE IN THE CARIBBEAN, AT LEAST IN THE SHORT AND MEDIUM TERM. HOWEVER, AS GOVERNOR GILLIGAN INDICATED AT THE DECEMBER CONFERENCE, WE BELIEVE THE ECONOMIC COHESION AND STRENGTH NECESSARY FOR THE COUNTRIES OF THE CARIBBEAN TO WITHSTAND EVENTS OR TRENDS IN THE INTERNATIONAL ECONOMY WHICH THEY CAN NEITHER FORESEE NOR CONTROL DEPENDS ON A FAR GREATER DEGREE OF REGIONAL COOPERATION AND INTERDEPENDENCE THAN PRESENTLY EXISTS. CONSEQUENTLY, WE BELIEVE THAT BOTH DONORS AND RECIPIENTS SHOULD SEIZE EVERY OPPORTUNITY TO STRENGTHEN REGIONAL INSTITUTIONS AND TO SUPPORT REGIONAL COOPERATION ON DEVELOPMENT PROGRAMS. WE BELIEVE THE CARIBBEAN DEVELOPMENT BANK HAS A PARTICULARLY IMPORTANT PART IN THIS PROCESS AND HOPE THAT THE BANK CAN PLAY A CONSTRUCTIVE ROLE IN REGIONAL PROJECTS BENEFITTING THE NON-ENGLISH-SPEAKING AS WELL AS ENGLISH-SPEAKING CARIBBEAN.

"WE HAVE BEEN INCREASINGLY CONCERNED OVER THE PAST SEVERAL MONTHS BY THE CRITICAL BALANCE OF PAYMENTS PROBLEMS FACED BY SOME GOVERNMENTS IN THE REGION, AND WE ARE PLEASED THAT THESE GOVERNMENTS ARE WORKING OUT ARRANGEMENTS WITH THE IMF TO DEAL WITH THESE PROBLEMS. SHORT-RUN BALANCE OF PAYMENTS PROBLEMS AND LONGER RUN SOCIAL AND ECONOMIC DEVELOPMENT CANNOT BE REGARDED AS MUTUALLY EXCLUSIVE SUBJECTS. WE BELIEVE A WORTHY OBJECTIVE OF THE CARIBBEAN GROUP IS TO ASSIST RECIPIENT GOVERNMENTS TO MAINTAIN ACCEPTABLE LEVELS OF DEVELOPMENT EXPENDITURES

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PARTICULARLY THOSE ADDRESSING BASIC HUMAN NEEDS, DURING THE DIFFICULT PERIOD OF STABILIZATION AND ADJUSTMENT THAT LIES AHEAD. CONVERSELY, FAILURE TO ADDRESS THE REGION'S UNDERLYING STRUCTURAL PROBLEMS IS LIKELY TO LEAD TO REPEATED BALANCE OF PAYMENTS CRISES, WITH ALL THE HARDSHIP THEY ENTAIL FOR THE CITIZENS OF SMALL, INSULAR ECONOMIES.

"IN THIS CONNECTION, MR. CHAIRMAN, A MAJOR CONTRIBUTION WE CAN MAKE AS A GROUP IN THE FUTURE IS TO TRY TO GIVE GREATER SUPPORT TO THOSE GOVERNMENTS WHICH TAKE THE NECESSARY STEPS TO ADDRESS THE PROBLEMS OF THEIR POOR, WHILE AT THE SAME TIME DEMONSTRATING FISCAL RESPONSIBILITY AND MAKING MOST EFFECTIVE USE OF BOTH THEIR OWN RESOURCES AND OF FOREIGN ASSISTANCE.

"WE BELIEVE THE POLICY RECOMMENDATIONS OF THE BANK ARE GENERALLY SOUND AND SHOULD BE SUPPORTED. IN SOME COUNTRIES, SUCH AS JAMAICA AND GUYANA, THESE RECOMMENDATIONS INCLUDE REDUCING CURRENT ACCOUNT DEFICITS, INCREASING NATIONAL SAVINGS, AND RESTIMULATING THE PRIVATE SECTOR. IN OTHER CASES, SUCH AS THE LEEWARD AND WINDWARD ISLANDS, THESE RECOMMENDATIONS ALSO INCLUDE GREATER MUTUAL COOPERATION. IN STILL OTHER CASES, SUCH AS HAITI AND THE DOMINICAL REPUBLIC, ALLEVIATING EXTREME WELFARE DISPARITIES AND INCREASING PLANNING AND ABSORPTIVE CAPACITY ARE CRITICAL. UNLESS WE CAN DEMONSTRATE TO OUR RESPECTIVE LEGISLATURES THAT OUR WILLINGNESS TO MAKE ADDITIONAL RESOURCES AVAILABLE IS MATCHED BY A DETERMINATION ON THE PART OF THE RECIPIENTS TO MAKE THE MOST EFFECTIVE USE OF THAT ASSISTANCE, OUR LEGISLATURES ARE UNLIKELY TO PROVIDE THE ADDITIONAL FINANCING THE WORLD BANK HAS IDENTIFIED AS NECESSARY.

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"WITH REGARD TO THE SPECIFICS, MR. CHAIRMAN, THE PROPOSAL OF THE WORLD BANK FOR THE CREATION OF A FACILITY TO ASSIST GOVERNMENTS IN MAINTUINING ADEQUATE LEVELS OF EXPENDITURES FOR PRIORITY DEVELOPMENT PROJECTS FILLS A SIGNIFICANT NEED. WE WOULD BE WILLING TO CONSIDER PROVIDING AN INITIAL CONTRIBUTION TO THIS FACILITY BY A COMBINATION OF LOAN AND COMMODITIES ASSISTANCE, IN AN AMOUNT APPROXIMATELY 30 PERCENT OF THE AGREED UPON FINANCING REQUIREMENTS FOR SUCH A FACILITY PROVIDED THAT:

"L. OTHER DONORS ARE PREPARED AT THE SAME TIME TO MEET THE REMAINING REQUIREMENTS OF THE FACILITY; AND

"2. THE RECIPIENTS ARE PREPARED TO COMMIT THEMSELVES TO THE ECONOMIC POLICY AND DEVELOPMENT PROGRAM ACTIONS ENDORSED BY THE RESPECTIVE COUNTRY SUBGROUPS.

"IF THESE CONDITIONS PREVAIL, WE WOULD EXPECT TO PROVIDE ON THE ORDER OF \$20 MILLION IN A DEVELOPMENT ASSISTANCE LOAN, SUBJECT TO APPROPRIATE NOTIFICATION TO AND APPROVAL BY OUR CONGRESS, AND UP TO \$17.5 MILLION IN ADDITIONAL COMMODITY ASSISTANCE.

"ANY COMMITMENTS BEYOND THE INITIAL CONTRIBUTION ON THE PART OF THE U.S. GOVERNMENT WOULD BE DEPENDENT UPON OUR MUTUAL REVIEW OF THE ACTUAL PERFORMANCE OF THE FACILITY AND APPROPRIATIONS BY THE U.S. CONGRESS.

"THE WORLD BANK HAS ALSO IDENTIFIED THE NEED FOR TECHNICAL ASSISTANCE IN PROJECT PREPARATION AND EXECUTION. WE AGREE THAT THE PROVISION OF FINANCIAL ASSISTANCE ALONE IS NOT SUFFICIENT AND HAVE BEEN INCREASING OUR TECHNICAL ASSISTANCE TO THE AREA. AID'S EXPERIENCE IS THAT THE MOST SUCCESSFUL PROJECTS WITH WHICH WE ARE INVOLVED HAVE BEEN DEVELOPED ON A COLLABORATIVE BASIS BY UNCLASSIFIED

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LOCAL INSTITUTIONS AND OUR FIELD MISSIONS. AID HAS COOPERATED IN, OR HAS UNDERWAY, AGRICULTURAL SECTOR ASSESSMENTS IN THOSE COUNTRIES WHERE WE HAVE BILATERAL PROGRAMS.

"WE EXPECT TO PROVIDE A GRANT TO THE CARIBBEAN DEVELOPMENT BANK THIS YEAR TO HELP THAT INSTITUTION EXPAND ITS CAPACITY TO PROVIDE TECHNICAL ASSISTANCE TO ITS MEMBER STATES. WE ALSO ARE COOPERATING WITH THE CDB AND THE CARIBBEAN FOOD CORPORATION ON PREINVESTMENT WORK THAT MAY LEAD TO CAPITAL ASSISTANCE FOR IMPLEMENTATION OF PORTIONS OF THE CARIBBEAN FOOD PLAN. WE ENCOURAGE OTHERDONOR SUPPORT FOR THESE PURPOSES.

"WE KNOW THAT SEVERAL DONORS REPRESENTED HERE ALSO HAVE SUBSTANTIAL TECHNICAL ASSISTANCE EFFORTS ALREADY UNDERWAY, OR PLUNNED. IN ADDITION, ASSISTANCE HAS BEEN PROVIDED TO SEVERAL CARIBBEAN COUNTRIES BY THE IDB AND OTHER DONORS TO FINANCE THE COSTS OF PROJECT DEVELOPMENT AND RELATED TECHNICAL ASSISTANCE REQUIREMENTS OF NATIONAL PROJECTS AND PROGRAMS. WITH REGARD TO SUCH COUNTRY-SPECIFIC TECHNICAL ASSISTANCE, WE BELIEVE THE NEED IS MORE FOR A CLEARING HOUSE STRUCTURE THAN A NEW FUND.

MECHANISMS AND FINANCING FOR THE DEVELOPMENT OF REGIONAL PROJECTS ARE LESS ASSURED UNDER PRESENT ARRANGEMENTS. THUS WE BELIEVE THERE IS MERIT IN CAREFULLY CONSIDERING THE NEED FOR A FACILITY THAT PROVIDES FOR THE

FINANCING OF STUDIES AND DEVELOPMENT OF PROGRAMS AND
PROJECTS SERVING THE BROADER CARIBBEAN REGION.

"MR. CHAIRMAN, I AND MY COLLEAGUES ARE PREPARED TO ANSWER ANY QUESTIONS OTHERS MAY HAVE ABOUT OUR PROGRAMS AND
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INTENTIONS, BUT AT THIS POINT WE WOULD LIKE TO HEAR
THEIR VIEWS." END TEXT

3. FOR MADRID, TEL AVIV, AND BUENOS AIRES: YOUR HOST
GOVERNMENTS HAVE NOT PREVIOUSLY SHOWN INTEREST IN THE
CARIBBEAN GROUP AND WERE NOT REPRESENTED AT THE FIRST
MEETING IN DECEMBER 1977 IN WASHINGTON. WE CAN SUPPLY
YOU WITH ADDITIONAL BACKGROUND MATERIAL ON THE CARIBBEAN
GROUP IF YOU WISH.
SALZMAN UNQUOTE CHRISTOPHER

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